
By: Delegate Walkup

Introduced and read first time: February 7, 1996

Assigned to: Judiciary

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 21, 1996

CHAPTER ____

1 AN ACT concerning

2 **Kent County - Gaming - Regulation**

3 FOR the purpose of altering the procedures by which certain organizations may conduct
4 certain fund-raising events with certain gaming devices; specifying certain
5 organizations that may conduct certain fund-raising events in Kent County;
6 ~~authorizing requiring~~ the Kent County Commissioners to adopt ~~regulations~~
7 ~~requiring a permit for~~ certain regulations, and perform certain acts, effective by a
8 certain date, concerning certain gaming devices; authorizing certain organizations to
9 conduct certain fund-raising events in Kent County without a permit under certain
10 circumstances; requiring that certain fund-raisers be conducted in certain places;
11 requiring that a certain minimum amount of funds derived from a fund-raiser be
12 used for a certain purpose; requiring that certain fund-raisers be managed or
13 operated only by certain persons; providing certain penalties; and generally relating
14 to gaming regulation in Kent County.

15 BY repealing

16 Article 27 - Crimes and Punishments

17 Section 253

18 Annotated Code of Maryland

19 (1992 Replacement Volume and 1995 Supplement)

20 BY adding to

21 Article 27 - Crimes and Punishments

22 Section 253

23 Annotated Code of Maryland

24 (1992 Replacement Volume and 1995 Supplement)

2

1 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
2 MARYLAND, That the Laws of Maryland read as follows:

3 **Article 27 - Crimes and Punishments**

4 [253.

5 (a) (1) (i) In this section the following words have the meanings indicated.

6 (ii) "Permit" means:

7 1. A multiple gaming device permit, allowing two or more of the
8 devices specified in paragraph (3) of this subsection; or

9 2. A raffle permit issued under subsection (h) of this section.

10 (iii) 1. "Raffle" means a lottery using paper chances in which prizes
11 are won by persons who buy chances in the lottery.

12 2. A raffle is not a multiple gaming device unless run in
13 conjunction with an event requiring a multiple gaming device permit.

14 (2) This section only applies in Kent County.

15 (3) Notwithstanding any other provision of this article, the County
16 Commissioners may issue a multiple gaming device permit to any of the following
17 organizations to conduct a fund-raising affair at which merchandise or cash prizes may be
18 awarded by devices commonly known as paddle wheels, wheels of fortune, chance books,
19 card games, raffles, or by any other gaming device:

20 (i) A county or municipally supported volunteer fire company or
21 auxiliary unit whose members are directly associated with the fire company or auxiliary
22 unit;

23 (ii) A nationally chartered veterans' organization or auxiliary unit
24 whose members are directly associated with the organization;

25 (iii) A bona fide religious organization which has conducted religious
26 services at the same location in Kent County for at least 3 years before applying for a
27 permit;

28 (iv) A bona fide nonprofit fraternal, educational, civic, patriotic, or
29 charitable organization desiring to conduct a fund-raiser for the benefit of a charity
30 located in Kent County; or

31 (v) A bona fide nonprofit organization desiring to raise money for an
32 exclusively charitable, athletic, or educational purpose specifically described in the permit
33 application, that has operated on a nonprofit basis in Kent County for at least 3 years
34 before applying for a permit.

35 (4) An organization under paragraph (3) of this subsection shall be
36 organized in and serve the residents of Kent County to be eligible for a permit under this
37 subsection.

1 (5) The County Commissioners shall determine whether an organization
2 qualifies for a permit under this subsection. An organization, institution, association,
3 society, or corporation that is exempt from taxation under § 501(c)(3) of the Internal
4 Revenue Code is a bona fide charity, under this subsection.

5 (6) This section may not be construed to authorize the use of slot machines,
6 or any other type of coin machine, for gambling purposes. Slot machines are regulated
7 under § 264B of this article.

8 (b) The County Commissioners may:

9 (1) Adopt regulations concerning permit applications and the issuance of
10 permits;

11 (2) Charge a fee set by resolution for each permit;

12 (3) Regulate the number of permits which may be issued to organizations
13 each year; and

14 (4) Deny a permit to an organization for up to 3 years if it violates the
15 provisions of this section or the regulations adopted under it.

16 (c) (1) The County Commissioners may not issue more than two multiple
17 gaming device permits in a year to an organization.

18 (2) (i) Subject to subparagraph (ii) of this paragraph, a multiple gaming
19 device permit issued under this section for a fund-raiser at which two or more gaming
20 devices will be used shall be valid for only one event lasting 6 hours.

21 (ii) The County Commissioners may waive the 6-hour limitation on
22 the period for which a permit is valid if the organization does not seek more than one
23 multiple gaming device permit a year.

24 (d) An organization which is issued a multiple gaming device permit under this
25 section shall conduct the fund-raiser in:

26 (1) A structure owned, leased, or occupied by the organization receiving the
27 permit;

28 (2) A structure owned, leased, or occupied by any organization which would
29 qualify for a permit under subsection (a) of this section; or

30 (3) A public location if it is described in the permit application and is
31 approved by the State's Attorney for Kent County.

32 (e) At least 50 percent of the funds derived from a multiple gaming device
33 fund-raiser that permits the use of two or more gaming devices shall be used for a civic,
34 charitable, or educational purpose.

35 (f) A multiple gaming device permit may not be approved to hold a fund-raiser
36 on premises that are licensed under a Class B or Class D alcoholic beverages license.

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1 (g) (1) Unless a waiver is granted by the County Commissioners, a fund-raiser
2 conducted under this section shall be managed and operated only by individuals
3 domiciled in Kent County on behalf of the organization that receives a permit.

4 (2) Each organization shall designate an individual who shall be responsible
5 for complying with the terms and conditions of this section and a permit.

6 (3) A person may not be compensated for the management or operation of
7 any gaming activity authorized under a permit.

8 (h) (1) The County Commissioners may issue a raffle permit to an organization
9 that qualifies for a permit under subsection (a)(3) of this section or under regulations of
10 the County Commissioners.

11 (2) A raffle conducted under a permit issued under this section may not last
12 more than 1 year from the date the permit is issued to the date the last prize is awarded.

13 (3) The County Commissioners may regulate the number of raffle permits
14 an organization may receive in a year.

15 (i) An organization which is issued a permit under this section shall send, within
16 30 days after each fund-raiser, to the County Commissioners:

17 (1) An accounting of all funds received or pledged;

18 (2) An accounting of all expenses paid or incurred; and

19 (3) A statement under oath of the application of the net profits.

20 (j) A person or organization that violates any provision of this section is guilty of
21 a misdemeanor and on conviction is subject to a fine not exceeding \$1,000 or
22 imprisonment not exceeding 1 year, or both. Each day of violation constitutes a separate
23 offense.]

24 253.

25 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
26 INDICATED.

27 (2) "RAFFLE" MEANS A LOTTERY USING PAPER CHANCES IN WHICH
28 PRIZES ARE WON BY PERSONS WHO BUY CHANCES IN THE LOTTERY.

29 (3) "GAMING DEVICE" INCLUDES PADDLE WHEELS, WHEELS OF
30 FORTUNE, CHANCE ~~LOOKS~~ BOOKS, CARD GAMES, RAFFLES, ~~TOP JARS~~, OR ANY OTHER
31 GAMING DEVICE.

32 (4) "MULTIPLE GAMING DEVICE FUND-RAISER" MEANS A
33 FUND-RAISING AFFAIR OR EVENT IN WHICH MERCHANDISE OR CASH PRIZES MAY
34 BE AWARDED BY THE USE OF TWO OR MORE GAMING DEVICES.

35 (5) "PERMIT" MEANS A PERMIT ISSUED BY KENT COUNTY PURSUANT TO
36 REGULATIONS ENACTED UNDER PARAGRAPH (E) OF THIS SECTION FOR A RAFFLE
37 OR OTHER GAMING DEVICE FUND-RAISER.

1 (B) (1) THIS SUBHEADING MAY NOT BE CONSTRUED TO MAKE IT
2 UNLAWFUL FOR ANY ORGANIZATION SPECIFIED IN ~~SUBSECTIONS (C)(1) THROUGH~~
3 ~~(C)(5)~~ SUBSECTION (C)(1) OF THIS SECTION TO CONDUCT A GAMING DEVICE
4 FUND-RAISING EVENT, PROVIDED THAT THE ORGANIZATION COMPLIES WITH THE
5 PROVISIONS OF THIS SECTION.

6 (2) (I) THIS SECTION MAY NOT BE CONSTRUED TO AUTHORIZE THE
7 USE OF SLOT MACHINES OR ANY OTHER TYPE OF COIN MACHINE FOR GAMBLING
8 PURPOSES.

9 (II) SLOT MACHINES ARE REGULATED UNDER SECTION 264B OF
10 THIS ARTICLE.

11 (3) THIS SECTION APPLIES ONLY IN KENT COUNTY.

12 (C) (1) NOTWITHSTANDING ANY OTHER PROVISION OF THIS ARTICLE,
13 ONLY THE FOLLOWING ORGANIZATIONS MAY CONDUCT A FUND-RAISER IN WHICH
14 MERCHANDISE OR CASH PRIZES MAY BE AWARDED BY ANY RAFFLE OR OTHER
15 GAMING DEVICE:

16 ~~(1)~~ (I) A COUNTY OR MUNICIPALLY SUPPORTED VOLUNTEER FIRE
17 COMPANY OR AUXILIARY UNIT WHOSE MEMBERS ARE DIRECTLY ASSOCIATED
18 WITH THE FIRE COMPANY OR AUXILIARY UNIT;

19 ~~(2)~~ (II) A NATIONALLY CHARTERED VETERANS ORGANIZATION OR
20 AUXILIARY UNIT WHOSE MEMBERS ARE DIRECTLY ASSOCIATED WITH THE
21 ORGANIZATION;

22 ~~(3)~~ (III) A BONA FIDE RELIGIOUS ORGANIZATION THAT IS EXEMPT
23 FROM TAXATION UNDER § 501(C)(3) OF THE INTERNAL REVENUE CODE AND WHICH
24 HAS CONDUCTED RELIGIOUS SERVICES IN KENT COUNTY FOR A PERIOD OF AT
25 LEAST 3 YEARS;

26 ~~(4)~~ (IV) A BONA FIDE NONPROFIT FRATERNAL, EDUCATIONAL, CIVIC,
27 PATRIOTIC, OR CHARITABLE ORGANIZATION ~~DESIRING THAT IS EXEMPT FROM~~
28 TAXATION UNDER § 501(C)(3), (4), OR (10) OF THE INTERNAL REVENUE CODE AND
29 DESIRES TO CONDUCT A FUND-RAISER FOR THE BENEFIT OF A ~~CHARITY~~ BONA FIDE
30 CHARITABLE ORGANIZATION LOCATED IN KENT COUNTY; OR

31 ~~(5) A BONA FIDE NONPROFIT ORGANIZATION OPERATING ON A~~
32 ~~NONPROFIT BASIS IN KENT COUNTY AND DESIRING TO RAISE MONEY FOR AN~~
33 ~~EXCLUSIVELY CHARITABLE, ATHLETIC, OR EDUCATIONAL PURPOSE.~~

34 (V) A BONA FIDE NONPROFIT ORGANIZATION THAT DESIRES TO
35 RAISE MONEY FOR AN EXCLUSIVELY CHARITABLE, ATHLETIC, OR EDUCATIONAL
36 PURPOSE AND HAS BEEN OPERATING ON A NONPROFIT BASIS IN KENT COUNTY FOR
37 A PERIOD OF AT LEAST 3 YEARS.

38 (2) TO QUALIFY UNDER ITEM (1)(V) OF THIS SUBSECTION OR
39 SUBSECTION (H) OF THIS SECTION, THE CHARITABLE, ATHLETIC, OR EDUCATIONAL
40 PURPOSE:

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1 (I) SHALL MEET THE REQUIREMENTS FOR A CHARITABLE
2 CONTRIBUTION UNDER § 170(C) OF THE INTERNAL REVENUE CODE; AND

3 (II) MAY NOT BE A PURPOSE TO BENEFIT:

4 1. AN AGENCY OF THE STATE GOVERNMENT OR A
5 POLITICAL SUBDIVISION OF THE STATE, EXCEPT:

6 A. AN AMBULANCE, FIRE FIGHTING, OR RESCUE SQUAD; OR

7 B. A PRIMARY SCHOOL, SECONDARY SCHOOL, OR COLLEGE;

8 2. A LAW ENFORCEMENT AGENCY OR LAW ENFORCEMENT
9 FRATERNAL ORGANIZATION; OR

10 3. A POLITICAL CLUB, COMMITTEE, OR PARTY.

11 (D) ~~(H)~~ AN ORGANIZATION LISTED UNDER SUBSECTION (C) OF THIS
12 SECTION SHALL BE ORGANIZED IN AND SERVE THE RESIDENTS OF KENT COUNTY.

13 ~~(2) AN ORGANIZATION, INSTITUTION, ASSOCIATION, SOCIETY, OR~~
14 ~~CORPORATION THAT IS EXEMPT FROM TAXATION UNDER SECTION 501(C)(3) OF THE~~
15 ~~INTERNAL REVENUE CODE IS A BONA FIDE CHARITY.~~

16 (E) THE KENT COUNTY COMMISSIONERS ~~MAY~~ SHALL, EFFECTIVE NOT LATER
17 THAN JULY 1, 1997:

18 (1) ADOPT REGULATIONS REQUIRING A PERMIT FOR ANY RAFFLE OR
19 ANY OTHER GAMING DEVICE FUND-RAISER CONDUCTED IN KENT COUNTY;

20 (2) ADOPT REGULATIONS CONCERNING PERMIT APPLICATIONS AND
21 THE ISSUANCE OF PERMITS;

22 (3) CHARGE A FEE SET BY RESOLUTION FOR EACH PERMIT;

23 (4) REGULATE THE DURATION AND NUMBER OF RAFFLES OR OTHER
24 GAMING DEVICE FUND-RAISERS ORGANIZATIONS MAY CONDUCT;

25 (5) DENY A PERMIT TO AN ORGANIZATION FOR UP TO 3 YEARS IF IT
26 VIOLATES THE PROVISIONS OF THIS SECTION OR THE REGULATIONS ADOPTED
27 UNDER IT; AND

28 (6) ADOPT REGULATIONS REQUIRING AN ACCOUNTING OF FUNDS
29 RECEIVED OR PLEDGED, EXPENSES PAID OR INCURRED, AND THE APPLICATION OF
30 THE NET PROFITS OF ANY RAFFLE OR OTHER GAMING DEVICE FUND-RAISER.

31 (F) UNTIL THE COUNTY COMMISSIONERS ENACT REGULATIONS REQUIRING
32 A PERMIT FOR ANY RAFFLE OR OTHER GAMING DEVICE FUND-RAISER, THE
33 FUND-RAISERS MAY BE CONDUCTED IN ACCORDANCE WITH THIS SECTION
34 WITHOUT A PERMIT.

35 (G) A MULTIPLE GAMING DEVICE FUND-RAISER SHALL BE CONDUCTED IN:

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1 (1) A STRUCTURE OWNED, LEASED, OR OCCUPIED BY THE
2 ORGANIZATION AUTHORIZED IN SUBSECTION (C) OF THIS SECTION TO CONDUCT
3 THE FUND-RAISER; OR

4 (2) A PUBLIC LOCATION, IF IT IS DESCRIBED IN WRITING AND
5 APPROVED BY THE STATE'S ATTORNEY FOR KENT COUNTY.

6 (H) AT LEAST 50% OF THE FUNDS DERIVED FROM A MULTIPLE GAMING
7 DEVICE FUND-RAISER SHALL BE USED FOR A CIVIC, CHARITABLE, OR
8 EDUCATIONAL PURPOSE.

9 (I) A MULTIPLE GAMING DEVICE FUND-RAISER MAY NOT BE CONDUCTED
10 ON PREMISES THAT ARE LICENSED UNDER A CLASS B OR CLASS D ALCOHOLIC
11 BEVERAGES LICENSE.

12 (J) (1) A FUND-RAISER CONDUCTED UNDER THIS SECTION SHALL BE
13 MANAGED OR OPERATED ONLY BY INDIVIDUALS DOMICILED IN KENT COUNTY AND
14 ON BEHALF OF THE ORGANIZATION AUTHORIZED IN THIS SECTION TO CONDUCT
15 THE FUND-RAISER.

16 (2) EACH ORGANIZATION SHALL DESIGNATE AN INDIVIDUAL WHO
17 SHALL BE RESPONSIBLE FOR COMPLYING WITH THE TERMS AND CONDITIONS OF
18 THIS SECTION AND ANY LOCAL LAWS ENACTED IN ACCORDANCE WITH THIS
19 SECTION.

20 (3) A PERSON OR ORGANIZATION MAY NOT BE COMPENSATED FOR THE
21 MANAGEMENT OR OPERATION OF ANY GAMING ACTIVITY AUTHORIZED UNDER
22 THIS SECTION.

23 (K) (1) A PERSON OR ORGANIZATION THAT VIOLATES ANY PROVISION OF
24 THIS SECTION IS GUILTY OF A MISDEMEANOR AND ON CONVICTION IS SUBJECT TO A
25 FINE NOT EXCEEDING \$1,000 OR IMPRISONMENT NOT EXCEEDING 1 YEAR, OR BOTH.

26 (2) EACH DAY OF VIOLATION CONSTITUTES A SEPARATE OFFENSE.

27 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
28 October 1, 1996.